

Representation

Draft Modification Report

0282 / 0282A: Introduction of a process to manage Vacant sites

Consultation close out date: 03 June 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: E.ON UK

Representative: Brian Durber

Date of Representation: 27 May 2011

Do you support or oppose implementation?

0282 - Qualified Support

0282A - Qualified Support

If either 0282 or 0282A were to be implemented, which would be your preference?

Prefer 0282A

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

We agree in principle that where a site is long term vacant and where it is reasonable to believe that gas is not being offtaken then the shipper should not be subject to commodity charges that are not being incurred. As stated in both proposals a similar process already exists in the electricity industry. Our concerns are twofold. Firstly the process in electricity is subject to strict external audit procedures. UNC 0282 & 0282a whilst both including rules aimed at providing controls to the process do not incorporate an external audit function nor do they spell out how sites vacant for a period over 24 months are to be dealt with other than to place a 'reasonable' obligation to resolve. Secondly from a safety perspective there is a significant difference between the two fuels. Electricity fails to safety but gas fails to unsafety. Long term vacant premises with unmonitored live gas supplies could be viewed as a potential safety issue. Arguably the status quo provides a strong commercial incentive to gain access to these premises; this incentive may be diluted by reducing it to that afforded by capacity charges alone. Conversely it should be recognised that capacity charges incurred at SSPs are not insignificant.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

Not yet determined